GAINN FINTECH PRIVATE LIMITED

Internal Control Procedure

❖ **Know your Client**

- Only those new clients would be accepted and allowed to trade with us, who would be referred to us by any of the following:

  1) Employees;
  2) Directors;
  3) Relatives or Family Members of the Directors;
  4) Existing Clients (trading in any segment).

- On expression of wish for becoming a client by any person, a copy of Client Registration Form along with other documents and forms will be forwarded to the client. The copy of the CRF will also be accompanied with the list of documents and additional documents or proofs required.

- Client Registration Form after being signed and filled by the Client will be received at our Client Registration department.

- At the client registration department, the documents are checked and only after they are found proper they will be counter signed by us. The client code generated will be communicated to the client after completion of entire procedure.

- A prospective client will be allowed to trade only on satisfactorily submission of required documentary proof and proper signing of documents.

The following procedure should be adopted for identification of Client:

- As far as possible, no clients will be registered without personal contact.
- In addition to personal contact, for client identification, proper address and identity proof as prescribed by SEBI as per Uniform Documentary Requirement will be obtained from the client.
- PAN number and a Copy of PAN card will be compulsorily obtained from the client. No trading will be allowed unless the proof of PAN proof is submitted by the client.
- All the documents collected will be verified with original by the Client Registration Department and a stamp "Verified with Original" will be affixed and signed by the person verifying it.
- In person verification should be carried out by the staff and stamp should be affixed for in person verification.

❖ **Registration of Intermediateries:**

- The procedure as prescribed for registration of Approved Person's will be followed.
- Brokerage will be shared with the respective Approved person only after the Approval of Registration by the Exchange.
- No Brokerage will be paid to the Approved Person for the trades executed prior to registration.

❖ <u>Trading Terminal</u>

- The Terminal User should be NCFM certified. Before allowing the user to operate the terminal, the copy of NCFM certificate will be collected and verified with the original.
- The user will be asked to renew the NCFM certificate on its expiry. If the user fails to renew the certificate then he would not be allowed to operate the same any further. The renewed copy of the certificate will be re-obtained and verified with original.
- The guidelines laid down by the Exchange for Approved User and Location of trading terminal will be strictly followed. It would be made sure that there is no issue of trading terminals to unauthorized persons or at unauthorized locations.
- The data regarding new user as well as modification in existing user should be immediately uploaded and documented on modification or issue to the new user as the case may be.

❖ Clients Transcations:

- Transactions of few major clients would be monitored, if required and in case of any suspicion from our side of possibility of any malfunctioning y the client. If required the client will be asked to stop such kind of malfunctioning or may be even asked to stop trading.

❖ <u>Order Placement</u>

- The orders will be placed by the respective Dealer as per the instructions from the clients.
- However, it should be made sure that the priced put up should not be unrealistic or not representing the correct market price.
- Everytime before execution of order a final confirmation of the entire order should be made to the client.
- The clients should not be induced to either Buy or sell.

❖ <u>**Others**</u>

- Complete confidentiality of Client information should be maintained. No client information would be given except if required by law.
- Proper records as required by various statues will be maintained.